

Message Text

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SUBJ: MAJOR PROJECTS: EARLY WARNING

1. THE FOLLOWING PROJECTS REPRESENT THOSE NEWLY ANNOUNCED AND TO BE IMPLEMENTED IN THE NEAR FUTURE. WHILE DETAILS ON SOME ARE RELATIVELY SKETCHY. WE BELIEVE THAT THE REPORTS WILL BE USEFUL TO THE U.S. BUSINESS COMMUNITY. IN ANY EVENT. THE EMBASSY WILL REPORT FULLY WHEN THE PROJECTS ARE TENDERED, AWARDED, OR WHEN MORE INFORMATION IS DEVELOPED.

A. KHURAISS PIPELINE: ESTIMATED COST \$1.550 BILLION. CROWN PRINCE FAHD HAS AGREED TO THE FORMATION OF A NATIONAL COMPANY TO EXECUTE THE KHURAISS PIPELINE. THIS IS THE CRUDE OIL PIPELINE PROJECT TO YENBO FOR WHICH ABOUT 15 FOREIGN FIRMS HAVE SUBMITTED CONSTRUCTION BIDS. THOUGH SCHEDULED FOR OPENING ON MARCH 15 1978. HAS YET TO BE AWARDED. SAIPEM, AN ITALIAN COMPANY. SEDCO (U.S.) AND RAWCON ALSO U.S. ARE SAID TO BE LEADER IN THE BIDDING. THE SUBJECT OF FORMING A NATIONAL SAUDI COMPANY TO EXECUTE (AND OWN) THE PROJECT WILL BE PUT BEFORE THE SUPREME PETROLEUM COUNCIL FOR FURTHER STUDY. SAUDI CITIZEN WILL BE PERMITTED TO PARTICIPATE IN THE SHARE
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CAPITAL OF THE COMPANY WHEN IT IS FORMED.
B. 30000 RESIDENTIAL UNITS - GOVERNMENT PROJECT FOR RIYADH JIDDA AND DAMMAM. BIDS NOW HAVE BEEN SUBMITTED AND ARE BEING REVIEWED BY THE MINISTRY OF PUBLIC WORKS AND HOUSING. AWARD EXPECTED IN FEW WEEKS. THIS PROJECT IS ADDITIONAL TO THE SUCH HOUSING PROJECTS NOW BEING

CONSTRUCTED IN JIDDA (18 APARTMENT BUILDINGS OF 12 STORIES EACH) AND IN DAMMAM.

C. ESTABLISHMENT OF ELECTRIC GRID BETWEEN RIYADH AND AL-KHRAJ. COST ESTIMATE: SR 160 MILLION. THE LINE WILL BE LAID FROM A GENERATING STATION IN RIYADH TO THE MAIN POWER PLANT IN AL-KHARJ A DISTANCE OF ABOUT 80 KILOMETERS. THE DOUBLE ELECTRICITY LINE WILL HAVE A LOAD CAPACITY OF 132,000 VOLTS AND WILL PARALEL THE EXISTING ROAD BETWEEN THE TWO CITIES TO SUPPLY POWER TO VILLAGES BETWEEN THE CITIES.

C. RIYADH WATER DRAINAGE PROJECT. MINISTER OF MUNICIPAL AND RURAL AFFAIRS SIGNED A CONTRACT ON APRIL 9, 1978 FOR EXECUTION OF THE SECOND PHASE OF THE RIYADH FLOOD DRAINAGE PROJECT WHICH WILL ENTAIL CONSTRUCTION OF 36 KMS OF CHANNELS, 699 CATCH BASINS FOR COLLECTING RAIN AND STORM WATER AND 303 WATER MANHOLES. COST IS SR 43 MILLION. AWARDEE IS GREEK FIRM, BIOKAT IN JOINT VENTURE WITH SAUDI FIRM.

D. RIYADH UNIVERSITY CITY PROJECT. AN AWARD WAS MADE ON APRIL 8, 1978 TO A CONSORTIUM OF SWISS AND GERMAN COMPANIES TO SET UP PLANTS FOR PRODUCTION OF STRUCTURAL CONCRETE TO BE USED FOR THE UNIVERSITY. PRODUCTION CAPACITY OF THE PREMIXED CONCRETE IS 353\$ FOR 800 CUBIC METERS, ABOUT 2000 TONS. DAILY. THE FIRST PHASE OF CONSTRUCTION OF THE UNIVERSITY CITY. HOUSING FOR HOUSING A TOTAL OF 21,000 STUDENTS AND FOR ADMINISTRATIVE BUILDING WILL BE AWARDED IN THE NEAR FUTURE. THE COST UNCLASSIFIED

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OF THE CONCRETE PLANTS SEGMENT, NOTED ABOVE IS SR 1.088 BILLION.

E. ESTABLISHMENT OF 10 SPECIALIST MEDICAL DISPENSARIES. TEN SPECIALIST DISPENSARIES WILL BE BUILT IN JIDDA. RIYADH, DAMMAM, THE SOUTHERN AND NORTHERN PROVINCES. COST NOT GIVEN

F. TWO DAM PROJECTS. THE MINISTER OF AGRICULTURE AND WATER HAS APPROVED AWARD OF CONSTRUCTION OF DAMS AT AL-JANABEH AND SODOUS TO TWO NATIONAL COMPANIES. PRICE NOT GIVEN.

G. SPORTS CENTER AT MEDINA. THE PRESIDENT OF THE YOUTH WELFARE ORGANIZATION. PRINCE FEISAL IBN FAHD, HAS CONTRACTED FOR THE DESIGN AND SPECIFICATIONS OF A SPORTS CENTER AT MEDINA WHICH WILL INCLUDE A FOOTBALL STADIUM FOR 3000, A SWIMMING POOL AND FACILITIES FOR BASKETBALL, VOLLEY BALL AND TENNIS. ENGINEERING COST IS SR 3.2 MILLION WHILE PROJECT CONSTRUCTION TO BE AWARDED IN YEAR WILL COST OVER SR 40 MILLION.

2. PROJECTS SUCH AS THE ABOVE WILL BE REPORTED ON AN AD HOC BASIS REGULARLY IN ORDER TO SPEED INFO TO

USDOC.

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